

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2004-328-C - ORDER NO. 2005-682
DECEMBER 6, 2005

IN RE: Application of Convergia, Inc. for a) ORDER
Certificate of Public Convenience and) GRANTING
Necessity to Provide Intrastate Resold) CERTIFICATE FOR
Telecommunications Services within the State) INTEREXCHANGE
of South Carolina and for Alternative) AUTHORITY AND
Regulation.) MODIFIED
) ALTERNATIVE
) REGULATION

This matter comes before the Public Service Commission of South Carolina (the “Commission”) by way of the Application of Convergia, Inc. (“Convergia” or the “Company”) requesting a Certificate of Public Convenience and Necessity authorizing it to operate as a reseller of interexchange telecommunications services within the State of South Carolina. The Company’s Application was filed pursuant to S.C. Code Ann. §58-9-280 (Supp. 2004) and the general regulatory authority of the Commission. By its Application, Convergia also requests alternative regulation of its business services offerings identical to that granted to AT&T Communications in Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C, as modified by Commission Order No. 2001-997 in Docket No. 2000-407-C, and further requests waiver of certain Commission regulations.

The Commission’s Docketing Department instructed Convergia to publish, one time, a Notice of Filing in newspapers of general circulation in the areas of the state

affected by the Application. The purpose of the Notice of Filing was to inform interested parties of the Application of Convergia and of the manner and time in which to file the appropriate pleadings for participation in the proceeding. Convergia complied with this instruction and provided the Commission with proof of publication of the Notice of Filing. No Petitions to Intervene or Protests were filed.

This Commission appointed Mr. David Butler as hearing examiner in this case in Order No. 2005-165, pursuant to the authority granted in S.C. Code Ann. Section 58-9-1020 (1976). Subsequent to the hearing in this matter and pursuant to 26 S.C. Code Ann. Regs. 103-865, Mr. Butler submitted a proposed order to the parties in this matter, and gave those parties ten days after receipt of that Order to file exceptions to the Order, briefs, or a request for oral argument before this Commission. No exceptions, briefs, or requests for oral argument were received. Accordingly, we will decide the matter based on the record of the case and the proposed Order as submitted by the hearing examiner.

A hearing was convened on November 7, 2005, at 10:00 a.m. in the offices of Garber Reporting Service, Columbia, South Carolina before hearing examiner Butler. Convergia was represented by Bonnie D. Shealy, Esquire. Wendy B. Cartledge, Esquire, represented the Office of Regulatory Staff. Prior to the testimony being presented in the case, the parties announced a settlement of the issues in the case. The settlement agreement was entered into the evidence as Hearing Exhibit 1 and is attached hereto as Order Exhibit 1.

Peter Blagojevic and Maximo Aybar appeared via videoconference from Montreal, Quebec, Canada, and testified in support of the Application. Mr. Blagojevic is

the Corporate Marketing Manager for Convergia. Mr. Aybar is Senior Corporate Accountant for the Company. The record reveals that Convergia is incorporated in the State of Delaware and registered to transact business in South Carolina as a foreign corporation. The Company is headquartered in Pointe Claire, Quebec. According to Mr. Blagojevic, Convergia proposes to operate as a reseller of intrastate interexchange telecommunications services to the public on a statewide basis and to offer a wide range of One Plus and Toll Free interexchange telecommunications services on a resale basis. Mr. Blagojevic explained the Company's request for authority, and the record reveals the Company's services, operations, and marketing procedures.

With regard to marketing procedures, Mr. Blagojevic testified that the Company plans to market its services through both inside sales staff and independent agents, using a variety of channels, including direct marketing, advertising, and the Internet. Convergia does not intend to use telemarketing to sell its products in South Carolina, according to Mr. Blagojevic.

Mr. Blagojevic also discussed Convergia's technical, financial, and managerial resources to provide the services for which it seeks authority. Mr. Blagojevic offered that Convergia possesses sufficient financial resources to support its operations in South Carolina. With regard to management and technical capabilities, Mr. Blagojevic testified that Convergia is currently licensed to provide telecommunications services in a number of states. Both the Company's Application and Mr. Blagojevic's testimony evidence that the members of the management team of Convergia have extensive experience in

marketing and communications. Mr. Blagojevic also testified that Convergia will operate in accordance with Commission rules, regulations, guidelines, and Commission Orders.

Mr. Blagojevic offered that approval of Convergia's Application would serve the public interest by increasing the level of long distance competition in South Carolina, by providing a high-quality alternative of long distance service, and by increasing consumer awareness of options and services available, thus encouraging the growth and success of competitive services.

Mr. Aybar elaborated on the Company's financial condition. He testified that the Company's increasing losses appearing in the Company's financial statements from 2002 to 2004 were a result, in part, of the Company doing wholesale business. He stated that the focus of the Company had shifted back to an emphasis on the retail side of the business, and that the losses should therefore be reduced. Further, the settlement agreement contained a document from an officer of Telsocomm Investments, Inc., which is Convergia's parent corporation. Telsocomm evidenced its intent to provide the necessary funds to Convergia to provide the proposed telecommunications services in South Carolina. The balance sheet of Telsocomm shows that that Company has the apparent ability to fulfill its commitment.

After full consideration of the applicable law, the Company's Application, and the evidence presented at the hearing, the Commission hereby issues its findings of fact and conclusions of law:

FINDINGS OF FACT

1. Convergia is organized as a corporation under the laws of the State of Delaware and is authorized to do business as a foreign corporation in the State of South Carolina by the Secretary of State.

2. Convergia is currently licensed to operate as a telecommunications reseller in a number of states.

3. Convergia desires to operate as a reseller of interexchange telecommunications services in South Carolina.

4. We find that Convergia possesses the managerial experience and capability to operate as a non-facilities based reseller of interexchange services in South Carolina.

5. We further find, based on the recent financial records and balance sheets submitted by the Company and those of the parent corporation, Telsocomm, Inc., that Convergia possesses sufficient financial resources to provide the services as described in its Application.

6. We find that the issuance of a Certificate of Public Convenience and Necessity to Convergia to operate as a reseller of interexchange telecommunications services in South Carolina would be in the best interest of the citizens of South Carolina by increasing the level of long distance competition in South Carolina, by providing an alternative of long distance service, and by increasing consumer awareness of options and services available, thereby encouraging growth and success of competitive services.

7. We find that the Settlement Agreement should be approved.

CONCLUSIONS OF LAW

1. Based on the above findings of fact, the Commission concludes that a Certificate of Public Convenience and Necessity should be granted to Convergia to provide intrastate interLATA service and to originate and terminate toll traffic within the same LATA, as set forth herein, through the resale of intrastate Wide Area Telecommunications Services (WATS), Message Telecommunications Service (MTS), Foreign Exchange Service, Private Line Service, or any other services authorized for resale by tariffs of carriers approved by the Commission.

2. The Commission adopts a rate design for Convergia for its resale of residential services which includes only maximum rate levels for each tariff charge. A rate structure incorporating maximum rate levels with the flexibility for adjustment below the maximum rate levels has been previously adopted by the Commission. In Re: Application of GTE Sprint Communications Corporation, etc., Order No. 84-622, issued in Docket No. 84-10-C (August 2, 1984).

3. Convergia shall not adjust its residential rates below the approved maximum level without notice to the Commission and to the public. Convergia shall file its proposed rate changes, publish its notice of such changes, and file affidavits of publication with the Commission two weeks prior to the effective date of the changes. However, the public notice requirement is waived, and therefore not required, for reductions below the maximum cap in instances which do not affect the general body of subscribers or do not constitute a general rate reduction. In Re: Application of GTE Sprint Communications, etc., Order No. 93-638, issued in Docket No. 84-10-C (July 16,

1993). Any proposed increase in the maximum rate level for residential services reflected in the tariff which would be applicable to the general body of the Company's subscribers shall constitute a general ratemaking proceeding and will be treated in accordance with the notice and hearing provisions of S.C. Code Ann. §58-9-540 (Supp. 2004).

4. With respect to Convergia's business services, consumer card, and operator service offerings, the Commission adopts a relaxed regulatory scheme identical to that granted to AT&T Communications in Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C. Under this relaxed regulatory scheme, tariff filings for business services shall be presumed valid upon filing. The Commission will have seven (7) days in which to institute an investigation of any tariff filing. If the Commission institutes an investigation of a particular tariff filing within the seven days, the tariff filing will then be suspended until further Order of the Commission. Any relaxation in the future reporting requirements that may be adopted for AT&T shall apply to Convergia also. These alternative regulation orders were modified by Order No. 2001-997 in Docket No. 2000-407-C which imposed a cap on operator-assisted calls where a consumer uses a local exchange carrier's calling card to complete calls from locations which have not selected the local exchange carrier as their toll provider.

Pursuant to Order No. 2001-997, this Commission modified the alternative regulation by the re-imposition of rate caps with regard to certain operator assisted calls where a customer uses a local exchange carrier's calling card to complete calls from locations which have not selected that local exchange carrier as the toll provider. Order

No. 2001-997, dated November 8, 2001, imposed a maximum cap of \$1.75 for operator surcharges for such calls, and a maximum cap of \$0.35 related to the flat per-minute rate associated with these calls. The re-imposition of rate caps for certain operator assisted calls has led to alternative regulation now being known as “modified alternative regulation.” The provisions of Order No. 2001-997 and the modification contained therein also apply to Convergia.

5. If it has not already done so by the date of issuance of this Order, Convergia shall file its revised tariff and an accompanying price list within thirty (30) days of receipt of this Order. The revised tariff shall be consistent with the findings of this Order, and the Company’s Settlement Agreement with ORS, and, further shall be consistent with the Commission’s Rules and Regulations.

6. Convergia is subject to access charges pursuant to Commission Order No. 86-584, in which the Commission determined that for access purposes resellers and facilities-based interexchange carriers should be treated similarly.

7. With regard to the Company’s resale of service, an end-user should be able to access another interexchange carrier or operator service provider if the end-user so desires.

8. Convergia shall resell the services of only those carriers authorized to do business in South Carolina by this Commission. If Convergia changes underlying carriers, it shall notify the Commission in writing.

9. With regard to the origination and termination of toll calls within the same LATA, Convergia shall comply with the terms of Order No. 93-462, Order Approving

Stipulation and Agreement, in Docket Nos. 92-182-C, 92-183-C, and 92-200-C (June 3, 1993), with the exception of the 10-XXX intraLATA dialing requirement, which has been rendered obsolete by the toll dialing parity rules established by the FCC pursuant to the Telecommunications Act of 1996 (See, 47 CFR 51.209). Specifically, Convergia shall comply with the imputation standard as adopted by Order No. 93-462 and more fully described in paragraph 4 of the Stipulation and Appendix B approved by Order No. 93-462.

10. Convergia shall file annual financial information in the form of annual reports and gross receipts reports as required by the Commission. The annual report and the gross receipt report will necessitate the filing of intrastate information. Therefore, Convergia shall keep financial records on an intrastate basis for South Carolina to comply with the annual report and gross receipts filings. The proper form for filing annual financial information can be found at the Commission's website at www.psc.sc.gov/reference/forms.asp. The title of this form is "Annual Report for Interexchange Companies." This form shall be utilized by the Company to file annual financial information with the Commission and the Office of Regulatory Staff and shall be filed no later than **April 1st**. Gross receipts forms are due to be filed with the Commission and the Office of Regulatory Staff no later than **August 31st** of each year. The proper form for filing gross receipts information can be found at the Office of Regulatory Staff's website at www.regulatorystaff.sc.gov/TeleForms/GrossReceipts.doc, and the appropriate form is entitled "Gross Receipts for Utility Companies."

11. The Company shall, in compliance with Commission regulations, designate and maintain an authorized utility representative who is prepared to discuss, on a regulatory level, customer relations (complaint) matters, engineering operations, tests and repairs. In addition, the Company shall provide to the Commission and the Office of Regulatory Staff in writing the name of the authorized representative to be contacted in connection with general management duties as well as emergencies which occur during non-office hours. Convergia shall file the names, addresses and telephone numbers of these representatives with the Commission and the Office of Regulatory Staff within thirty (30) days of receipt of this Order. The “Authorized Utility Representative Information” form can be found at the Commission’s website at www.psc.sc.gov/reference/forms.asp; this form shall be utilized for the provision of this information to the Commission. Further, the Company shall promptly notify the Commission in writing if the representatives are replaced.

12. The Company is directed to comply with all Rules and Regulations of the Commission, unless a regulation is specifically waived by the Commission.

13. At the hearing, Convergia requested a waiver of 26 S.C. Code Ann. Regs. 103-610 (1976), which requires that records required by the Commission’s Rules and Regulations be maintained in South Carolina. The record reveals that Convergia’s principal headquarters will be located in Quebec, and Convergia requests permission to maintain its books and records at its headquarters in that Canadian province. The Commission finds Convergia’s requested waiver reasonable and understands the difficulty presented to Convergia should the waiver not be granted. The Commission

therefore grants the requested waiver that Convergia be allowed to maintain its books and records at its principal headquarters. However, Convergia shall make available its books and records at all reasonable times upon request by the Commission or the Office of Regulatory Staff and Convergia shall promptly notify both if the location of its books and records changes.

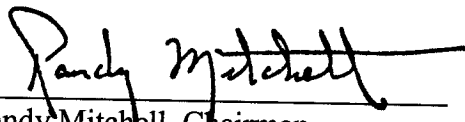
14. Convergia also requests that it be exempt from record keeping policies that require a carrier to maintain its financial records in conformance with the Uniform System of Accounts (USOA). The USOA was developed by the FCC as a means of regulating telecommunications companies subject to rate base regulation. As a competitive carrier, Convergia maintains its book of accounts in accordance with Generally Accepted Accounting Principles (GAAP). GAAP is used extensively by interexchange carriers. Moreover, Convergia asserts that because it utilizes GAAP, the Commission will have a reliable means by which to evaluate Convergia's operations and assess its financial fitness. Accordingly, Convergia hereby requests an exemption from the USOA requirements. We grant the Company's request for the reasons stated above.

15. Each telecommunications company certified in South Carolina is required to file annually the Intrastate Universal Service Fund (USF) worksheet. This worksheet provides the Commission and the Office of Regulatory Staff information required to determine each telecommunications company's liability to the State USF fund. The Intrastate USF worksheet is due to be filed with both the Commission and the Office of Regulatory Staff annually no later than **August 15th**.

16. The Settlement Agreement is approved.


17. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:



Randy Mitchell, Chairman

ATTEST:



G. O'Neal Hamilton, Vice Chairman

(SEAL)

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA

DOCKET NO. 2004-328-C

October 25, 2005

RECEIVED
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GENERAL
COUNSEL'S OFFICE

In Re:

**Application of Convergia, Inc. for a)
Certificate of Public Convenience and)
Necessity to Provide Intrastate Resold)
Telecommunications Services and for)
Alternative Regulation)
_____)**

SETTLEMENT AGREEMENT

This Settlement Agreement ("Settlement Agreement") is made by and among the Office of Regulatory Staff ("ORS") and Convergia, Inc., ("Convergia" or "the Company") (collectively referred to as the "Parties" or sometimes individually as "Party");

WHEREAS, on November 17, 2004, Convergia filed its application requesting a Certificate of Public Convenience and Necessity to provide non-facilities based interexchange telecommunications and data services and requested alternative regulation pursuant to Orders No.95-1734 and 96-55 in Docket No. 95-661-C and as modified by Order No. 2001-997 in Docket No. 2000-407-C;

WHEREAS, on March 11, 2005, the Public Service Commission of South Carolina ("the Commission") scheduled this matter to be heard before a Hearing Examiner on June 23, 2005;

WHEREAS, on May 20, 2005, Convergia pre-filed testimony of Peter Blagojevic including one exhibit with the Commission;

WHEREAS, on May 31, 2005, Convergia pre-filed a Supplemental Exhibit 2 to Mr. Blagojevic's testimony;

WHEREAS, on June 15, 2005, Convergia requested a continuance of the hearing and permission to pre-file testimony for a second witness;

WHEREAS, on June 21, 2005, the Commission scheduled this matter for hearing on October 3, 2005;

WHEREAS, on August 4, 2005, Convergia pre-filed testimony of Maximo Aybar;

WHEREAS, on August 25, 2005, Convergia requested a second continuance of the hearing;

WHEREAS, on August 31, 2005, the Public Service Commission of South Carolina (the "Commission") scheduled this matter to be heard before a Hearing Examiner on November 7, 2005;

WHEREAS, the purpose of this proceeding is to review the application filed by Convergia and its request for a Certificate of Public Convenience and Necessity to provide resold intrastate interexchange communications services and for modified alternative regulation for certain interexchange services;

WHEREAS, since the filing of the notice, ORS has conducted a review of the technical, managerial, and financial expertise of the Company to provide such services;

WHEREAS, ORS has reviewed the Application and the financial data provided by the Company and its parent, and ORS has calculated certain performance ratios based upon information provided by the Company;

WHEREAS, ORS has investigated the services to be offered by Convergia and its intended customer service plans;

WHEREAS, ORS has reviewed the proposed tariffs submitted by Convergia;

WHEREAS, as a result of its investigations, ORS has determined a) Convergia intends to offer residential and commercial interexchange telecommunications service as well as other value-added interexchange and data services; b) the officers of Convergia possess sufficient technical and managerial abilities to adequately provide the services applied for; c) based upon the information provided and the analysis performed, Convergia, through its parent, Telsocomm Investments, Inc. ("Telsocomm"), appears to have access to sufficient financial resources necessary to provide the services proposed in its application; d) certain revisions should be made to Convergia's proposed tariffs in order to comply with Commission statutes and regulations; e) the services provided by Convergia will meet the service standards required by the Commission; f) the provision of services by the Company will not adversely impact the availability of affordable telecommunications services; g) to the extent it is required to do so by the Commission, Convergia will participate in the support of universally available telephone service at affordable rates; and h) the provision of interexchange and data services by Convergia will not adversely impact the public interest;

WHEREAS, to ensure compliance with the Commission's statutes and regulations, the Parties have agreed to the following comprehensive settlement of all issues in this docket;

WHEREFORE, in the spirit of compromise, the Parties hereby stipulate and agree to the following terms and conditions:

- 1) The Parties agree that Convergia's Application and exhibits to the Application are incorporated into this Settlement Agreement and made a part hereof;
- 2) The Parties agree to stipulate into the record before the Commission this Settlement Agreement. The Parties also agree to stipulate to the pre-filed testimony and exhibits of Convergia Witnesses Peter Blagojevic and Maximo Aybar without cross-examination by ORS;
- 3) Convergia agrees to submit into the record before the Commission revised tariffs in accordance with ORS recommendations as set forth in Exhibit 1 to this Settlement Agreement and incorporated herein;
- 4) Convergia agrees to submit into the record before the Commission the letter and attached financial data provided by Telsocomm to ORS on October 25, 2005, (included in this Settlement Agreement as Exhibit 2);
- 5) Convergia agrees to comply with South Carolina Code Section § 58-9-300 entitled "Abandonment of Service." Additionally, Convergia agrees to adhere to the Federal Communication Commission rule 47 C.F.R. § 64.1190 and 64.1130 regarding preferred carrier freezes and the requirement that the form of the written authorization for the institution of

the freeze be a separate or easily separable document. Prior to abandonment of service, Convergia shall remove any preferred carrier freeze so as to enable consumers to seamlessly transfer their telephone numbers to another provider;

- 6) The Parties agree that the Company should be granted a Certificate of Public Convenience and Necessity to provide resold interexchange telecommunications services within the state of South Carolina;
- 7) ORS does not oppose the Company's request for waiver of 26 S.C. Code Ann. Regs. 103-610 (location of records and reports) and of any Commission policy or rule requiring a carrier to maintain its financial records in conformance with the Uniform System of Accounts ("USOA");
- 8) ORS does not oppose the Company's request that all of its telecommunications offerings be regulated as described in its application pursuant to the procedures set out in Commission Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C as modified by Commission Order No. 2001-997 in Docket No. 2000-407-C;
- 9) Convergia agrees to resell the services of only those interexchange carriers authorized to do business in South Carolina by the Commission. Convergia agrees to notify ORS and the Commission, in writing, if the Company changes underlying carriers;
- 10) Convergia agrees that the Company will allow an end-user of resold services to access an alternative interexchange carrier or operator service provider if the end-user expresses such a desire;

- 11) The Company agrees to file necessary financial information with the Commission and ORS for universal service fund reporting, annual reporting and/or gross receipts reporting;
- 12) ORS is charged by law with the duty to represent the public interest of South Carolina pursuant to S.C. Code § 58-4-10 (B) (added by Act 175). S.C. Code § 58-4-10(B)(1) through (3) read in part as follows:

... 'public interest' means a balancing of the following:

- (1) concerns of the using and consuming public with respect to public utility services, regardless of the class of customer;
- (2) economic development and job attraction and retention in South Carolina; and
- (3) preservation of the financial integrity of the State's public utilities and continued investment in and maintenance of utility facilities so as to provide reliable and high quality utility services.

ORS believes the Settlement Agreement reached among the Parties serves the public interest as defined above;

- 13) The Parties agree to advocate that the Commission accept and approve this Settlement Agreement in its entirety as a fair, reasonable and full resolution of all issues in the above-captioned proceeding and to take no action inconsistent with its adoption by the Commission. The Parties further agree to cooperate in good faith with one another in recommending to the Commission that this Settlement Agreement be accepted and approved by the Commission. The Parties agree to use reasonable efforts to defend and support any Commission order issued approving this Settlement Agreement and the terms and conditions contained herein.

- 14) The Parties agree that signing this Settlement Agreement will not constrain, inhibit, impair or prejudice their arguments or positions held in other collateral proceedings, nor will it constitute a precedent or evidence of acceptable practice in future proceedings. If the Commission declines to approve the Settlement Agreement in its entirety, then any Party desiring to do so may withdraw from the Settlement Agreement in its entirety without penalty or obligation.
- 15) This Settlement Agreement shall be interpreted according to South Carolina law.
- 16) The above terms and conditions fully represent the agreement of the Parties hereto. Therefore, each Party acknowledges its consent and agreement to this Settlement Agreement by affixing its signature or by authorizing counsel to affix his or her signature to this document where indicated below. Counsel's signature represents his or her representation that his or her client has authorized the execution of the agreement. Facsimile signatures and email signatures shall be as effective as original signatures to bind any party. This document may be signed in counterparts, with the original signature pages combined with the body of the document constituting an original and provable copy of this Settlement Agreement. The Parties agree that in the event any Party should fail to indicate its consent to this Settlement Agreement and the terms contained herein, then this Settlement Agreement shall be null and void and will not be binding on any Party.

WE AGREE:

Representing the Office of Regulatory Staff

Wendy B. Cartledge

Wendy B. Cartledge, Esquire
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WE AGREE:

Representing Convergia, Inc.

Bonnie D. Shealy

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Convergia, Inc. Docket No. 2004-328-C Tariff Review & Revisions
Exhibit E –Proposed Tariff
South Carolina PSC Tariff No. 1

Check Sheet – Original Sheet No. 1 – Suggest modifying Check Sheet to include an entry for all pages within the tariff [REDACTED]

Convergia will modify the check sheet to include entries for all pages within the tariff.

Table of Contents – Original Sheets No. 2 and No. 3 are not properly aligned with the Tariff Sections. (Specifically “ [REDACTED] when in fact is in Section 4. The Sheet Number for such is correct.

Convergia will correct the typographical error.

Section 1 – Technical Terms And Abbreviations- Original Sheets 7 and 8 – Suggest including an entry for the “Office of Regulatory Staff (ORS)”

Convergia will add an entry for ORS.

Section 2- Rules and Regulations

2.1- Undertaking of the Company

2.1.6 –Original Sheet No. 9 – “Request for service under this Tariff will [REDACTED] refuse service [REDACTED] The Company reserves the right to [REDACTED] or nonpayment by the Customer. Suggest modifying the language to state “Request for service under this Tariff will authorize the Company to conduct an investigation of the customer’s payment history with a Utility Company as outlined in the Commission’s Rules and Regulations in R103-621 (A) 1, 2, 3, 4. The Company may refuse service on the basis of indebtedness or payment history as stated in the aforementioned section. Furthermore, the Company may refuse service for criteria outlined in the Commission’s Rules and Regulations under R103-625.”

Convergia will revise the language as suggested above.

2.4 – Liability of the Company

2.4.9 – Original Sheet No. 14 – “The Company shall not be liable for damages or adjustments, refunds, or cancellation of charges unless the Customer has notified the Company of any dispute concerning charges, or the basis of any claim of damages, after the invoice is rendered by the Company for the call giving rise to such dispute or claim, unless ordered by the Commission pursuant to South Carolina law. [REDACTED]”

Any such notice must set forth sufficient facts to provide the Company with a reasonable basis upon which to evaluate the Customer's claim or demands." Suggest removal of the reference requiring claims by the customer to be made within 30 days. In Section R103-623 of the Commission's Rules and Regulations, the issue of undercharges and overcharges is addressed. Appropriate language pertaining to billing disputes to protect both the Company and the Customer might reference the aforementioned section.
Convergia, Inc. Docket No. 2004-328-C Tariff Review Page 2 (Rogers)

Convergia will revise the language as suggested above.

2.10 – Payments and Billing

2.10.3 – Original Sheet 17 – "Billing is payable via check, wire transfer, credit card or automatic bank debit upon receipt and past due thirty (30) days after issuance and posting of invoice."

Switched Access Customers who request electronic bills will incur no monthly recurring fee. Late payment charges may be applied, pursuant to South Carolina Public Service Commission reg. 103-622.2, which provides that a maximum of one and one-half (1.5) percent may be added to any unpaid balance brought forward from the previous billing date to cover the cost of collection and carrying accounts in arrears, which charge is set forth in
Suggest adding language which states that when the Company has an applicant for service; the paper billing fee provision is clearly disclosed. Additionally, there are two references to material being located in Section 5 of the Tariff. It appears that this is located in Section 4 and Addendum A.

Convergia will add the language suggested above and correct the typographical error.

2.10.4 – Original Sheet 18 – "Return check charges may be applied in an amount not to exceed that allowed by applicable state law, as contained in South Carolina Code Section 34-11-70. Such charge is set forth in
'The Return Check Charges are shown to be found in Section 5. The charges are located in Section 4 and Addendum A.

Convergia will correct the typographical error..

2.10.6 - Original Page 18 and 19 - " In the case of a dispute between the Customer and the Company for service furnished to the Customer, which cannot be settled with mutual satisfaction, the Customer can take the following course of action:. (A) First, the Customer may request, and the Company will perform, an in depth review of the disputed amount. The undisputed portion and subsequent bills must be paid on a timely basis or the service may be subject to disconnection



“Suggest removing the PSC information and inserting language stating that unresolved disputes may be filed with the “Office of Regulatory Staff (ORS)” and provide the address and telephone numbers for the Consumer Services Department of ORS: (contd on Page 3)

Office of Regulatory Staff
Consumer Services Department
P.O. Box 11263
Columbia, SC 29201
Telephone Number – 803-737-5230
Toll Free Number – 1-800-922-1531
Fax Number 803-737-4750

Convergia will add the language suggested above.

Section 3- Description of Service

3.4 – Promotions - Original Sheet 26 – “The Company may, from time to time, engage in special promotions of new or existing Service offerings of limited duration designed to attract new Customers or to increase existing Customer awareness of a particular offering. The promotional offerings are subject to the availability of the Services and may be limited to a specific geographical area or to a subset of a specific market group. The Company will [REDACTED] of promotions pursuant to the Commission’s regulations”. Suggest inserting language stating: “notify the Commission and ORS”.

Convergia will add the language suggested above.

Section 4 - Maximum Rates For Residential and Business Service

There appears to be problems with some of the calculations of the rates in the Price List and on one Plan the prices exceed the maximum rate which is published in the tariff. Additionally, the disparity in rates for Plans A/B and C may be construed as rate deaveraging scenario. Suggest that the Company give consideration to making rates consistent statewide for the various plans being proposed. On pages 31 through 34, the Company has a three tier listing of local exchange territories in which they apparently plan to offer service. After review of the Tier C schedule, no South Carolina Local Exchange territories are identified. On Page 4 of this Tariff Review, a table will be provided showing the referenced schedules.

Suggest that the Company bifurcate the applicable residential and business offerings to allow for competitive movement of rates with Alternative Regulation provisions.

Convergia will reformat its maximum rates and current price lists so that there are separate listings for residential and business offerings. The company intends to make its rates consistent statewide by offering one plan for each of the services being proposed. Since the plans will not be determined by the customer's location, Section 5 will be deleted. Following is a list of the new rate plans which will replace Sections 4.1.1, 4.1.2, and Addendum A, sections 1.1.1 and 1.1.2:

4.1.1- Switched or Dedicated One Plus Service Rates – Maximum Residential Rates – Original Pages 27 and 28

Plan	Maximum PMR	Int. 30 Sec	Add. 6 Sec
	.28	.14	.028

4.1.2- Switched or Dedicated Toll Free Service Rates – Maximum Residential Rates – Original Pages 28 and 29

Plan	Maximum PMR	Int. 30 Sec	Add. 6 Sec
	.28	.14	.028

Addendum A –Price List For Residential and Business Services – Effective Rate Schedule –Price List S.C. Tariff No. 1

1.1.1- Switched or Dedicated One Plus Service Rates-Original Sheets 1 and 2

1.1.1.A Residential Rates

Plan	PMR	Initial 30 Sec	Add. 6 Sec
	.14	.07	.014

1.1.1.B Business Rates

Plan	PMR	Initial 30 Sec	Add. 6 Sec
	.14	.07	.014

1.1.2 - Switched or Dedicated Toll Free Services Rates –Original Sheets 2 and 31.1.2.A Residential Rates

Plan	PMR	Initial 30 Sec	Add. 6 Sec
	.14	.07	.014

1.1.2.B Business Rates

Plan	PMR	Initial 30 Sec	Add. 6 Sec
	.14	.07	.014

Telsocomm Investments Inc.

Montreal, October 20, 2005

**Public Service Commission
Of South Carolina
Docketing Department**

REF: DOCKET NO. 2004-328-C

To Whom It May Concern:

We contact you on behalf of Telsocomm Investments Inc., parent company of Convergia Inc., who has filed with the Public Service Commission of South Carolina an Application for a Certificate of Public Convenience and Necessity to provide non-facilities based interexchange long distance telecommunications services within the State of South Carolina.

Regarding the aforementioned application, we would like to give you notice of our intention to provide the necessary funds to provide such services. These funds will be provided by Telsocomm Investments Inc., company incorporated under the laws of the British Virgin Islands.

Please find enclosed a copy of the seven-month period unaudited non-consolidated financial statements for Telsocomm Investments Inc. for the period ending September 30, 2005.

Thank you for your attention.

Sincerely,



Steve Roussos, C.A., C.F.E.
Chief Financial Officer
Telsocomm Investments Inc.

Telsocomm Investments Inc.

Non -Consolidated Financial Statements

For the nine-months period ended September 30, 2005

Telsocomm Investments Inc.

Non-Consolidated Financial Statements

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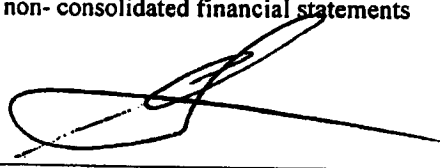
TELSOCOMM INVESTMENTS INC.

Non-Consolidated Balance Sheets

(All amounts are expressed in US\$)

	<u>2005</u>
Assets	
Currents Assets	
Cash and Short-term investments (Note 2)	5,851,752
Total Current Asset	<u>5,851,752</u>
Due from affiliated Companies	245,900
Long Term Investments	614,740
Other assets	<u>290,502</u>
Total Assets	<u><u>7,002,894</u></u>
Liabilities	
Current Liabilities	
Accounts payable and accrued liabilities	735,884
Total current liabilities	<u>735,884</u>
Due to affiliated companies	<u>2,417,603</u>
Total Liabilities	<u><u>3,153,487</u></u>
Shareholder's equity	
Common stock at par value (note 3)	1,000
Contributed Surplus	3,999,000
Deficit	<u>(150,593)</u>
Total Shareholder's equity	<u><u>3,849,407</u></u>
	<u><u>7,002,894</u></u>

The accompanying notes are an integral part of these
non-consolidated financial statements



Maximo Aybar, MBA
Senior Corporate Accountant

TELSOCOMM INVESTMENTS INC.
Non-Consolidated Statements of Operations and Deficit
(All amounts are expressed in US\$)

For the Year ended December 31,	<u>2005</u>
Net Revenue	
Other Operating Revenue	-
Expenses	
Professional fees	824
Bank Charges	370
Interest Expense	<u>2,812</u>
	<u>4,006</u>
Loss before income taxes	<u>(4,006)</u>
Provision for income taxes	
Net Loss	<u><u>(4,006)</u></u>
Deficit, Beginning of year	(146,587)
Net loss	<u>(4,006)</u>
Deficit, end of year	<u><u>(150,593)</u></u>

The accompanying notes are an integral part of these
non- consolidated financial statements



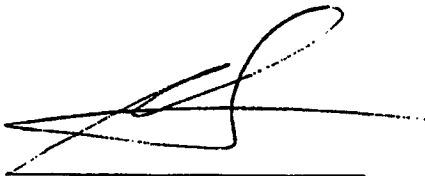
Maximo Aybar, MBA
Senior Corporate Accountant

TELSOCOMM INVESTMENTS INC.**Non-Consolidated Statement of Cash Flows**

(All amounts are expressed in US\$)

	<u>2005</u>
Net Income (Loss)	(4,006)
Cash Flows from Operating activities	
Net Changes in non-cash working Capital Items	
Increase (decrease) Accounts Payable and Accrued Liabilities	0
Net Cash provide by (used in) operating activities	<u>(4,006)</u>
Cash Flows from Investing activities	
(Increase) decrease in other long term assets	-
(Increase) decrease in due from affiliates	120,500
(Decrease) Increase in due to affiliates	1,285,625
(Increase) decrease in long-term investments	<u>(371,801)</u>
Net cash used in investing activities	<u>1,034,324</u>
Cash flows from Financing activities	
Changes in Contributed surplus	-
Net Cash Provide by financing activities	<u>-</u>
Net increase in cash and cash equivalents	1,030,318
Cash and Short-term investments, beginning of year	<u>4,821,434</u>
Cash and Short-term investments, end of year	<u><u>5,851,752</u></u>

The accompanying notes are an integral part of these non- consolidated financial statements



Maximo Aybar, MBA
Senior Corporate Accountant

Telsocomm Investments Inc.
Notes to Non-Consolidated Financial Statements
(All amounts are expressed in United States Dollars)

Nature of the business:

The company is a holding company of investments in significantly influenced companies and wholly-owned subsidiaries. The Company was incorporated on March 18, 1999 as an International Business Company under the laws of the British Virgin Islands. The Company has no direct employees.

Note 1. Significant accounting policies

Basis of presentation: These non-consolidated financial statements are in accordance with International Accounting Standards, except that they are prepared on a non-consolidated basis. The Company's transactions are in U.S. dollars and, therefore, the currency of measurement and reporting currency used for these non-consolidated financial statements is the U.S. dollar.

Accounting estimates: The preparation of financial statements in accordance with International Accounting Standards requires management to make estimates and assumptions. These affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from Estimates.

Long-term investments: Investments in significantly influenced companies and wholly-owned subsidiaries have been accounted for by the cost method. The accounts of the Company and its subsidiaries have not been consolidated in these financial statements because the shareholders of the companies have access to all pertinent information concerning the resources and results of operations of the group. Other readers (users) may require additional information.

Financial Instruments: The carrying amounts reported in the balance sheets for cash and cash equivalents approximate their fair values.

Cash equivalents: Cash equivalents are defined as highly liquid investments with maturities of three months or less at the date of purchase.

Due to and due from affiliated companies: The amounts due to and due from affiliated companies are non-interest bearing advances with no specific terms of repayment.

Note 2: Cash and cash equivalents

Cash and Short-term investments include investments of excess funds in a U.S. Dollar certificate of deposit maturing on a weekly basis and short-term investments in publicly traded shares of affiliate companies. The Balance of the investment at September 30, 2005 was US\$ 5,851,752.

Note 3 Common Stock

Common stock is summarized as follows:

Authorized capital:

The authorized common stock of the Company consists of 5,000,000 (1999-125,000) common shares with a par value of \$0.01 (1999- \$1.00)